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Senate Engrossed

State of Arizona  
Senate  
Forty-sixth Legislature  
Second Regular Session  
2004

## **SENATE CONCURRENT RESOLUTION 1020**

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 2, CONSTITUTION OF ARIZONA; RELATING TO PROPERTY TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the Senate of the State of Arizona, the House of  
2 Representatives concurring:

3 1. Article IX, section 2, Constitution of Arizona, is proposed to be  
4 amended as follows if approved by the voters and on proclamation of the  
5 Governor:

6 2. Property subject to taxation; exemptions

7 Section 2. (1) There shall be exempt from taxation all  
8 federal, state, county and municipal property.

9 (2) Property of educational, charitable and religious  
10 associations or institutions not used or held for profit may be  
11 exempt from taxation by law.

12 (3) Public debts, as evidenced by the bonds of Arizona,  
13 its counties, municipalities or other subdivisions, shall also  
14 be exempt from taxation.

15 (4) All household goods owned by the user thereof and  
16 used solely for noncommercial purposes shall be exempt from  
17 taxation, and such person entitled to such exemption shall not  
18 be required to take any affirmative action to receive the  
19 benefit of such exemption.

20 (5) Stocks of raw or finished materials, unassembled  
21 parts, work in process or finished products constituting the  
22 inventory of a retailer or wholesaler located within the state  
23 and principally engaged in the resale of such materials, parts  
24 or products, whether or not for resale to the ultimate consumer,  
25 shall be exempt from taxation.

26 ~~(6) The legislature may exempt personal property that is~~  
27 ~~used for agricultural purposes or in a trade or business from~~  
28 ~~taxation in a manner provided by law, except that the exemption~~  
29 ~~does not apply to any amount of the full cash value of the~~  
30 ~~personal property of a taxpayer that exceeds fifty thousand~~  
31 ~~dollars. The legislature may provide by law to increase the~~  
32 ~~exempt amount according to annual variations in a designated~~  
33 ~~national inflation index.~~

34 (6) PERSONAL PROPERTY THAT IS USED FOR AGRICULTURAL  
35 PURPOSES OR IN A TRADE OR BUSINESS IS EXEMPT FROM TAXATION,  
36 EXCEPT THAT THE EXEMPTION DOES NOT APPLY TO PERSONAL PROPERTY  
37 USED IN OR CONNECTED WITH THE BUSINESS OF:

38 (a) PATENTED OR UNPATENTED PRODUCING MINES AND MILLS AND  
39 SMELTERS OPERATED IN CONNECTION WITH MINES.

40 (b) PRODUCING OIL, GAS AND GEOTHERMAL INTERESTS.

41 (c) GAS, WATER, ELECTRIC AND SEWER AND WASTEWATER  
42 UTILITIES.

43 (d) PIPELINES.

44 (e) AIRLINE COMPANIES.

45 (f) PRIVATE CAR AND RAILROAD COMPANIES.

1 (g) TELECOMMUNICATIONS COMPANIES.

2 (h) AIRPORT FUEL DELIVERY COMPANIES.

3 (7) The legislature may exempt the property of cemeteries  
4 that are set apart and used to inter deceased human beings from  
5 taxation in a manner provided by law.

6 (8) There shall be further exempt from taxation the  
7 property of each honorably discharged airman, soldier, sailor,  
8 United States marine, member of revenue marine service, the  
9 coast guard, nurse corps or of any predecessor or of the  
10 component of auxiliary of any thereof, resident of this state,  
11 in the amount of:

12 (a) One thousand five hundred dollars if the total  
13 assessment of such person does not exceed three thousand five  
14 hundred dollars.

15 (b) One thousand dollars if the total assessment of such  
16 person does not exceed four thousand dollars.

17 (c) Five hundred dollars if the total assessment of such  
18 person does not exceed four thousand five hundred dollars.

19 (d) Two hundred fifty dollars if the total assessment of  
20 such person does not exceed five thousand dollars.

21 (e) No exemption if the total assessment of such person  
22 exceeds five thousand dollars.

23 No such exemption shall be made for such person unless  
24 such person shall have served at least sixty days in the  
25 military or naval service of the United States during World War  
26 I or prior wars and shall have been a resident of this state  
27 prior to September 1, 1945.

28 (9) There shall be further exempt from taxation as herein  
29 provided the property of each honorably discharged airman,  
30 soldier, sailor, United States marine, member of revenue marine  
31 service, the coast guard, nurse corps or of any predecessor or  
32 of the component of auxiliary of any thereof, resident of this  
33 state, where such person has a service-connected disability as  
34 determined by the United States veterans administration or its  
35 successor. No such exemption shall be made for such person  
36 unless he shall have been a resident of this state prior to  
37 September 1, 1945 or unless such person shall have been a  
38 resident of this state for at least four years prior to his  
39 original entry into service as an airman, soldier, sailor,  
40 United States marine, member of revenue marine service, the  
41 coast guard, nurse corps or of any predecessor or of the  
42 component of auxiliary of any thereof. The property of such  
43 person having a compensable service-connected disability exempt  
44 from taxation as herein provided shall be determined as follows:

1           (a) If such person's service-connected disability as  
2 determined by the United States veterans administration or its  
3 successor is sixty per cent or less, the property of such person  
4 exempt from taxation shall be determined by such person's  
5 percentage of disability multiplied by the assessment of such  
6 person in the amount of:

7           (i) One thousand five hundred dollars if the total  
8 assessment of such person does not exceed three thousand five  
9 hundred dollars.

10          (ii) One thousand dollars if the total assessment of such  
11 person does not exceed four thousand dollars.

12          (iii) Five hundred dollars if the total assessment of  
13 such person does not exceed four thousand five hundred dollars.

14          (iv) Two hundred fifty dollars if the total assessment of  
15 such person does not exceed five thousand dollars.

16          (v) No exemption if the total assessment of such person  
17 exceeds five thousand dollars.

18          (b) If such person's service-connected disability as  
19 determined by the United States veterans administration or its  
20 successor is more than sixty per cent, the property of such  
21 person exempt from taxation shall be in the amount of:

22          (i) One thousand five hundred dollars if the total  
23 assessment of such person does not exceed three thousand five  
24 hundred dollars.

25          (ii) One thousand dollars if the total assessment of such  
26 person does not exceed four thousand dollars.

27          (iii) Five hundred dollars if the total assessment of  
28 such person does not exceed four thousand five hundred dollars.

29          (iv) Two hundred fifty dollars if the total assessment of  
30 such person does not exceed five thousand dollars.

31          (v) No exemption if the total assessment of such person  
32 exceeds five thousand dollars.

33          (10) There shall be further exempt from taxation the  
34 property of each honorably discharged airman, soldier, sailor,  
35 United States marine, member of revenue marine service, the  
36 coast guard, nurse corps or of any predecessor or of the  
37 component of auxiliary of any thereof, resident of this state,  
38 where such person has a nonservice-connected total and permanent  
39 disability, physical or mental, as so certified by the United  
40 States veterans administration, or its successor, or such other  
41 certification as provided by law, in the amount of:

42          (a) One thousand five hundred dollars if the total  
43 assessment of such person does not exceed three thousand five  
44 hundred dollars.

1 (b) One thousand dollars if the total assessment of such  
2 person does not exceed four thousand dollars.

3 (c) Five hundred dollars if the total assessment of such  
4 person does not exceed four thousand five hundred dollars.

5 (d) Two hundred fifty dollars if the total assessment of  
6 such person does not exceed five thousand dollars.

7 (e) No exemption if the total assessment of such person  
8 exceeds five thousand dollars.

9 No such exemption shall be made for such person unless he  
10 shall have served at least sixty days in the military or naval  
11 service of the United States during time of war after World War  
12 I and shall have been a resident of this state prior to  
13 September 1, 1945.

14 (11) There shall be further exempt from taxation the  
15 property of each widow, resident of this state, in the amount  
16 of:

17 (a) One thousand five hundred dollars if the total  
18 assessment of such widow does not exceed three thousand five  
19 hundred dollars.

20 (b) One thousand dollars if the total assessment of such  
21 widow does not exceed four thousand dollars.

22 (c) Five hundred dollars if the total assessment of such  
23 widow does not exceed four thousand five hundred dollars.

24 (d) Two hundred fifty dollars if the total assessment of  
25 such widow does not exceed five thousand dollars.

26 (e) No exemption if the total assessment of such widow  
27 exceeds five thousand dollars.

28 In order to qualify for this exemption, the income from  
29 all sources of such widow, together with the income from all  
30 sources of all children of such widow residing with the widow in  
31 her residence in the year immediately preceding the year for  
32 which such widow applies for this exemption, shall not exceed:

33 1. Seven thousand dollars if none of the widow's children  
34 under the age of eighteen years resided with her in such widow's  
35 residence; or

36 2. Ten thousand dollars if one or more of the widow's  
37 children residing with her in such widow's residence was under  
38 the age of eighteen years, or was totally and permanently  
39 disabled, physically or mentally, as certified by competent  
40 medical authority as provided by law.

41 Such widow shall have resided with her last spouse in this  
42 state at the time of the spouse's death if she was not a widow  
43 and a resident of this state prior to January 1, 1969.

44 (12) No property shall be exempt which has been conveyed  
45 to evade taxation. The total exemption from taxation granted to

1       the property owned by a person who qualifies for any exemption  
2       in accordance with the terms of subsections (8), (9), (10) or  
3       (11) shall not exceed one thousand five hundred dollars. The  
4       provisions of this section shall be self-executing.

5       (13) All property in the state not exempt under the laws  
6       of the United States or under this constitution or exempt by law  
7       under the provisions of this section shall be subject to  
8       taxation to be ascertained as provided by law.

9       2. The Secretary of State shall submit this proposition to the voters  
10      at the next general election as provided by article XXI, Constitution of  
11      Arizona.